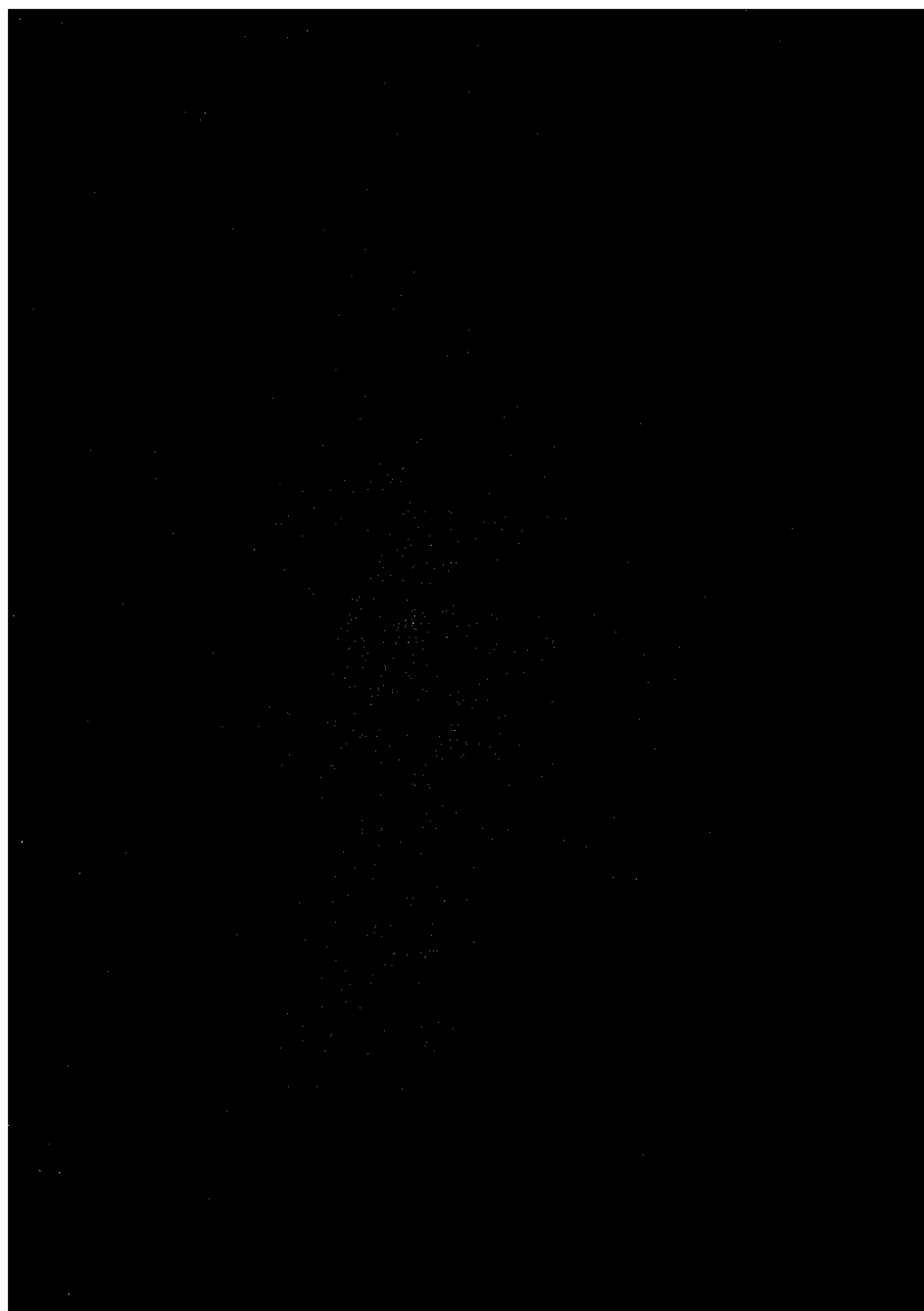


Eleventh Annual Report

The  
**Crow's Nest**  
**Pass Coal**  
**Company**  
Limited

1907



**Eleventh  
Annual Report**

**The Crow's Nest Pass  
Coal Company,  
Limited**

**1907**



# Board of Directors

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## **President**

G. G. S. LINDSEY, K.C.

## **First Vice-President**

HON. ROBERT JAFFRAY

Director Imperial Bank of Canada, Toronto

## **Second Vice-President**

LIEUT.-COL. SIR HENRY M. PELLATT, K.B.

President Toronto Electric Light Co.

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## **E. R. WOOD**

Vice-President Central Canada Loan & Savings Company; Director Canadian Bank of Commerce

## **ELIAS ROGERS**

President The Elias Rogers Co., Limited, Toronto; Director Imperial Bank

## **E. C. WHITNEY**

President St. Anthony Lumber Company, Limited, Ottawa

## **JAY P. GRAVES**

Vice-President and General Manager Granby Consolidated M. S. & P. Co., Spokane, Wash.

## **COLONEL W. P. CLOUGH**

Vice-President Northern Securities Co., New York

## **H. B. McGIVERIN**

Messrs. McGiverin & Haydon, Barristers, Ottawa

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## **OFFICERS**

General Manager . . . .	James D. Hurd, M.E.
Chief Engineer, Geologist and Land Commissioner . . . .	James McEvoy, M.E.C.E.
Secretary . . . .	R. M. Young
Chief Accountant . . . .	A. Klauer
Purchasing Agent . . . .	J. B. Turney
Auditor . . . .	Joseph G. Langton

## Directors' Report.

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**T**HE Directors beg to submit to the Shareholders of the Company their Eleventh Annual Report, including Statement of Assets and Liabilities, as of 31st December, 1907.

The balance at the credit of Profit and Loss Account brought forward from 1906 amounts to \$353,592.42. To this has been added the sum of \$382,986.28, being the Company's net profits from the operations for the year; also the sum of \$324,420.00, representing payments of premium on stock, so that the aggregate of the Profit and Loss Account is \$1,060,998.70. From this amount, the Directors have paid four quarterly dividends of  $2\frac{1}{2}\%$  each, making  $10\%$  for the year, and amounting in all to \$355,178.98; have transferred to Reserve Fund \$324,420.00, and have carried forward to 1908 \$381,399.72 to the Credit of Profit and Loss Account.

The coal mined this year amounts to 981,939 tons as against 806,901 tons mined in 1906. The production of coke amounted to 231,368 tons as against 213,295 tons in 1906. But for a strike during the month of April, and the action of the smelters in raising wages, and so depriving us of our coke oven men in mid-summer, and then for the most part shutting down their mines and smelters for the last two months of the year because they could not operate under the new wage

scale, the output would have over-reached considerably the million ton mark for the year.

The costs of mining and coke making during 1907 were increased greatly by reason of the advance in wages to miners, the irregular working of the men, the, at times, scarcity of labor, the expense of securing new miners, the higher prices paid for all materials used, the heavy increase in freight rates, the larger cost of compensation for injuries to workmen, and the extremely severe weather during the first three months of the year. Besides, a fluctuating demand for coal involved pressing the mines at times for tonnage, which had the inevitable influence of raising the cost. These conditions were the most unfavorable in the history of the Company.

During the year there has been spent on improvements the sum of \$414,501.35 by the Coal Company ; \$21,735.56 by the Electric Light & Power Company, and \$57,581.82 by the Morrissey Fernie and Michel Railway Company, the last two being subsidiary companies of the Coal Company, or a total on improvements of \$493,818.73.

The contract existing between the Company and its employees expired on the 1st of April, 1907. Seven of the operators in the Crow's Nest Pass, and on the main line of the Canadian Pacific Railway in Alberta met their men at their request in joint conference in the month of March, with a view to renewing agreements. After more than twenty days of patient labor in the consideration of the subject, it was found impossible to reach an agreement. Both sides then asked for the appointment of a Board of Conciliation under the Industrial Disputes Investigation Act, which had just become law. Notwithstanding the provisions of that Act, which prohibits all parties from stopping work under penalties, pending a reference of disputes to such a Board

appointed under that act, the miners did go on strike. A Board of Conciliation was appointed, the chairman selected by the Dominion Minister of Labor being Chief Justice Sir William Mulock, K.C.M.G. Before the Board actually sat, the various operators and their men had met again in conference, and were again unable to agree upon some points. Mackenzie King, Deputy Minister of Labor, being in Fernie, lent his good offices, with the result that without laying the matters in dispute before the Board of Conciliation, a new agreement was reached on the 2nd of May, lasting till the 1st of April, 1909. Increases in some of the mining rates, as well as to outside and inside labor, were accorded the men, and a joint committee agreed upon to settle all disputes.

During the year Frank H. McGuigan, Esq., and Francis McLennan, K.C., retired from the Directorate, and Jay P. Graves, Esq., of Spokane, Washington, was added to the Board.

In November several changes in the staff were made. Senator Cox having resigned the office of President, G. G. S. Lindsey, K.C., was advanced to that position on the understanding that as Chief Executive, he would give all his time to the duties of that office. James D. Hurd, a mining engineer of long and wide experience, whose letters of testimony were of the highest order, was appointed General Manager. R. G. Drinnan, General Superintendent, having resigned to accept a position with the Hosmer Mines, Limited, Charles Simister, Mine Superintendent at Michel, was advanced to the position of General Superintendent. Daniel Davies, having resigned the office of Comptroller and Purchasing Agent, Alois Klauer, Assistant Accountant, was advanced to the office of Chief Accountant (that of Comptroller being abolished), and J. B. Turney, Assistant Purchasing



Agent, was advanced to the position of Purchasing Agent. R. M. Young, Assistant Secretary, was advanced to the position of Secretary.

All of which is respectfully submitted.

G. G. S. LINDSEY,

*President.*

TORONTO, February 19th, 1908.

**The Crow's Nest Pass Coal Company**  
**LIMITED**

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**BALANCE SHEET, 31st DECEMBER, 1907.**

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**ASSETS**

Mines, Real Estate, Plant, Development, etc.	\$5,977,011.63
Securities Owned        -   -   -   -   -   -	691,296.98
Accounts Receivable    -   -   -   -   -   -	455,427.18
Cash on hand and in Bank       -   -   -   -   -	1,327.74
	<u>\$7,125,063.53</u>

**LIABILITIES**

Capital Stock Paid Up       -   -   -   -	\$3,716,280.00
Reserve Fund               -   -   -   -   -   -	2,124,420.00
Bills Payable               -   -   -   -   -   -	476,713.52
Accounts Payable               -   -   -   -   -   -	335,181.03
Dividend Payable, January 2nd, 1908       -   -	91,069.26
Profit and Loss               -   -   -   -   -   -	381,399.72
	<u>\$7,125,063.53</u>

E. R. WOOD,  
*Treasurer*

**The Crow's Nest Pass Coal Company**  
**LIMITED**

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**PROFIT AND LOSS ACCOUNT**

Year Ending 31st December, 1907

Balance at Credit, December 31st, 1906	-	\$	353,592.42
Net Profit for Year 1907	-	-	382,986.28
Premium Received on New Stock	-	-	324,420.00
			<u>\$1,060,998.70</u>

**APPROPRIATED AS FOLLOWS:**

Dividends Paid	-	-	-	-	-	-	\$	355,178.98
Carried to Reserve	-	-	-	-	-	-		324,420.00
Balance Carried Forward	-	-	-	-	-	-		381,399.72
								<u>\$1,060,998.70</u>

TORONTO, February 19th, 1908.	E. R. WOOD, <i>Treasurer.</i>
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I have examined these statements of Profit and Loss, and of Assets and Liabilities, also the books and vouchers of The Crow's Nest Pass Coal Company, Limited, and find the same correct.

TORONTO, February 19th, 1908.	J. G. LANGTON, <i>Auditor</i>
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# PROCEEDINGS

## Eleventh Annual General Meeting of Shareholders

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On the 14th day of February, A.D., 1908, the Annual General Meeting of the Company was held, pursuant to notice, at the Head Offices of the Company, but owing to the limited time for the preparation of the yearly statement, was, on motion duly adjourned, till the 10th day of March, A.D., 1908, at 2.30 p.m. At the said meeting 45 shareholders, representing 19 per cent. of the stock, were present in person or by proxy.

The Adjourned Annual Meeting of the Shareholders was held at the Head Office of the Company, Toronto, on Tuesday, the 10th day of March, A.D., 1908, at 2.30 p.m.

The following shareholders were present, representing 80% of the stock:—

### IN PERSON,

Norman Ainley  
William Crocker  
D. S. Cassels  
H. H. Cook  
Col. W. P. Clough  
J. F. Edgar  
Hon. Robert Jaffray  
Beverley Jones  
G. G. S. Lindsey, K.C.  
W. J. Morrice

J. Kerr Osborne  
Alex. S. Purdy  
Thos. Paterson  
Lt.-Col. Sir Henry M. Pellatt,  
K.B.  
G. A. Stimson  
E. R. Wood  
Thos. Walmsley  
E. C. Whitney.

### BY PROXY,

Baillie, Wood & Croft  
Hon. Geo. A. Cox  
G. W. Cook  
R. G. Drimman  
Dr. John L. Davison  
Miss Catherine O. Elwell  
Est. Samuel Finley  
Miss Lillie E. Gouinlock

Geo. H. McLaren  
Richard J. McLaren  
Wm. McFarren  
James McEvoy  
Mrs. Sarah J. McMurtry  
J. Ferg. McGregor  
E. T. Nichols  
Osborne & Francis

BY PROXY—*Continued*

Jas. Gouinlock	Osler & Hammond
Gen. Richard T. Godman	T. H. Purdom
Granby Cons. M.S. & P. Co., Limited	Pellatt & Pellatt
Jay P. Graves	F. B. Pemberton
Jas. Henderson	W. Robert, Manager
Jeffery Hale	Elias Rogers
Harris Cook & Co.	Mrs. Harriot R. Stayner
H. Spencer Holcroft	H. S. Strathy
Mrs. C. J. Hunter	C. C. Smith
William Hanson	Miss Lucy C. I. Strong
Chas. W. Irwin	Violet A. Tobin
William J. Irving	Nicholas Terhune
Andrew W. Irving	Arthur W. Vowell
J. Winburn Laurie & Frances Laurie	Mrs. Selena J. Vanstone
Solomon Lorie	Miss Ida May Vanstone
Mrs. Mary Montieth	B. S. Vanstone
Mrs. Annie Manson	Mrs. Ellen Watson
D. Morrice	D. R. Wilkie
W. E. McKeough	Jas. W. Woods
	Miss Carrie N. Waterman
	W. T. White

The President, G. G. S. Lindsey, K.C., having taken the Chair, Mr. R. M. Young was requested to act as Secretary to the meeting.

The Minutes of the previous Annual Meeting held on the 8th day of February, 1907, and of the adjournment thereof, held on the 30th day of April, 1907, and the Minutes of the Special General Meeting of the shareholders held on the 21st day of May, and of the adjournment thereof, held on the 22nd day of May, 1907, were taken as read; whereupon the President signed the same.

The Secretary after reading the Notice calling the meeting, read the Eleventh Annual Report of the Directors, and the accompanying Financial Statement.

**THE PRESIDENT'S ADDRESS**

In moving the adoption of the Report, G. G. S. Lindsey, K.C., President of the Company, said:

I beg to move the adoption of the Report;

In connection with the Resolution, I will give certain information which I think will be of interest to the shareholders, and after giving that, any questions which you may

ask in connection with the Report, will be gladly answered.

The Directors' Report and Financial Statement which you have just heard read, indicate that the Company has passed a satisfactory year.

The total output of coal from all the mines during the year was 981,939 tons, very close to the million ton mark, and an increase of 175,000 tons, or 22% over 1906. We increased shipments to Canadian customers 136,600 tons, coked 21,000 tons more coal, and exported 67,800 tons more coal than in 1906.

The total output of coke during the year was 231,368 tons, an increase of 8½% over 1906. We increased shipments 7,100 to home customers, and exported 7,300 tons more coke than in 1906.

In the spring the increased demand for fuel became so great, and our largest customers advised and recommended so strongly our being prepared to meet the expanding requirements of the country and of themselves, as then indicated, that such a course seemed absolutely necessary, and justified a decision to make the necessary expenditure on capital account to provide new plant and machinery, and for the development and opening up of new mines, with a view to double at least the then capacity for tonnage. The Great Northern Railway, to put Michel mines in touch with wider markets, agreed to extend its line from Fernie to that point, and it is expected that this work will be completed this month, thus giving two railways to these mines.

The mines in active operation were:—At Coal Creek Collieries, Nos. 2, 5 and 9. At Michel Collieries, Nos. 3, 4, 5 and 8.

In Number 2 Mine, a rock tunnel has been driven to the south of the high line not far from the entry, which has opened up, what will be practically a new mine in a fine seam of coal, and in Number 8 Mine, a rock tunnel is being driven to cross-cut a known seam of good coal.

The new Mines opened up were:—At Coal Creek Collieries, No. 6. At Sitkum Collieries, Nos. 11 and 12. At Carbonado Collieries, Nos. 7 and 8. All of these, with the

possible exception of Number 6, should prove to be valuable producers of a high quality of coal.

The following are among the more important surface improvements completed or in progress:

AT COAL CREEK COLLIERIES: 2 Large boilers added to the steam plant; one large compressor; miners dwellings; a large Fan at Number 5 Mine; 300 mine cars. Considerable improvements were made in the timber yards and timber handling appliances, looking to a reduction in the cost of preparing and handling that material, and several storage houses for material, and a hay and grain storage warehouse added.

The remainder of the structures at the Mines were made fire-proof, and the fire fighting appliances put into first-class condition.

AT SITKUM COLLIERIES: Situate half-way between Fernie and Coal Creek on the line of Railway, sidings and temporary tipples have been built.

AT MICHEL COLLIERIES: A large new Walker Fan at Number 8 Mine; 2 large boilers; a large compressor; 300 mine cars; two air locomotives for Number 8 Mine; two large boarding houses and 24 dwellings.

A new and extensive tipple is badly needed at this point.

AT CARBONADO COLLIERIES: Two new seams of coal which have been opened up, give good promise and are showing excellent coal, the fixed carbon running particularly high in them, and should be economically mined.

The expenditure on Improvements amounted to \$414,501.35, and there remains to be expended on the improvements to be completed this year \$151,955.88. Other improvements, including the Michel tipple, will have to be made.

The Company's Pay Rolls for the year exceeded those of 1906 by \$500,000; the employees increased from an average in 1906 of 1,745 to an average in 1907 of 2,470.

The expense of securing new men was considerable. When our coke oven employees left us in June, we brought in large numbers of men, principally from Winnipeg; who

had just arrived from Europe. Nearly all proved unequal to the work of pulling ovens, and for a considerable time the task of replacing the men who had left was an impossible one. At this time the price of metals, particularly copper, was very high, and the demand for coke consequently very heavy. The Government of British Columbia threatened to issue a commission to oblige a larger production of coke, but on the facts being placed before them, abandoned the idea. Much was stated, and most unfairly stated, to the effect that there was a discrimination against Canadian in favor of American Smelters, but the charge was absolutely without foundation. The situation was one brought about by the Canadian Smelters themselves in raising wages to their men above those paid to ours, with the natural result that, in a thin labor market they got the men. From April till September miners were very scarce. We sent agents to England, Scotland and Wales, and assisted the passages out of three hundred miners. Later on, towards the end of the year, the demand for coal and coke having fallen off, applications for work from miners on the spot had to be refused.

In April, a strike of three weeks' duration took place, owing to the failure to renew agreements at the Calgary conference in March, but before the Board of Conciliation under the new Industrial Disputes Act convened for the purpose of entering upon its duties, the operators and their men had effected a new wage schedule, covering a period of two years expiring on the 1st of April, 1909. The increase thus occasioned in the cost of production of coal amounted practically to 10 cents per ton, and in the production of coke to 15 cents per ton. What is hoped will prove a valuable provision in the new contract is one which refers all disputes to a joint Board of operators and men for final settlement, the Minister of Labor appointing an Umpire when the parties fail to agree. So far this has worked well.

In January the Pacific Coast Coal Company in the neighboring State of Washington, had voluntarily increased the wages of all their men 10%, and during the following month the Collieries on Vancouver Island followed suit. It



was under these conditions that the demands of the men for a twenty per cent. increase all round in wages had to be dealt with.

The royalty and taxes on coal during the year amounted to \$52,621.20, and on coke to \$18,078.84.

In May the capital stock of the Company was increased by the addition of 5,000 shares, bringing the authorized capital up to \$4,000,000, which issue was ratified at a special meeting of the shareholders of the Company. These shares were offered pro rata among the shareholders at a premium of \$150. There still remain in the Treasury 2,725 shares.

Senator Cox, following his well-defined policy of reducing his responsibilities, resigned from the Presidency, and now resigns from the Board. His splendid efforts in the interests of the Company have earned for him the highest appreciation and regard of the shareholders, and his retirement is accepted with the greatest regret. Some of the Directors, feeling that the Company has now reached a point in its career where the many difficulties of the past have been satisfactorily disposed of, and that its course in the future will be more smooth, have intimated that it will not be necessary to trouble so many of the shareholders in future to act as Directors, and have tendered their resignations. The loss of the valuable services of these gentlemen is much to be regretted, for they have well earned the warmest thanks of the shareholders for their efforts in the interests of the Company, and their retirement is received with much regret. Their wishes will be given effect to, and as it will effect some saving of expense, it will be suggested to the Shareholders that the Board of Directors for next year shall be made up of nine members.

Owing to the variation of earnings in each month, and the fact that the payment of quarterly dividends necessitates their being declared before the end of each quarter and before the accounts are prepared, it has been decided to pay dividends in future, half-yearly instead of quarterly.

It is impossible to close the accounts, prepare the Annual Statement, and leave time for proper audit between the end of the year and the second Friday in February. Your Direct-

ors have therefore prepared a By-Law restoring the date of the Annual Meeting to the second Friday in March.

There was a falling off in the demand for coal and coke during the last months of the year. In July and August due to the shortage of men at our coke ovens, and again in the last months of the year by reason of the shutting down of the smelters to adjust labor conditions, the output of coke was low. The outlook of the metal market seems to be improving, and an increased demand for coke is looked for. An improvement in the demand for coal is already felt.

### THE VICE-PRESIDENT'S ADDRESS

The Honorable Robert Jaffray, First Vice-President of the Company in seconding the motion to adopt the Report, said:

During the year a considerable amount of development work was done in the older mines, which will permit of a larger and more economically mined output of coal during the current year. At times during the year work was carried on under great pressure for tonnage, which always has the effect of increasing the cost of production. Never in the history of the Company have we experienced such fluctuating demands as we did last year.

A claim for damages for delay, made against the builders of the tippie at Coal Creek, was settled at \$10,000, and an old claim against the Canadian Pacific Railway Company for timber cut during the construction period of their railway was disposed of in a manner satisfactory to the Company by the payment of \$25,000.00

The Crow's Nest Pass Electric Light & Power Company, Limited, added considerably to its plant during the year and expended thereon \$21,735.56.

An extension of the telephone lines was made to Elkmouth, connection being there made with the Cranbrook system. Considerable extensions were made to the water mains, local telephone lines and electric light systems.

It was decided to remove the objection of the miners to Michel being a closed town, and to afford them an opportu-

ity to buy land and build homes for themselves. With this end in view, a townsite of about 100 acres was put upon the market, close to the Company's mining property. A considerable section was laid off for exclusive sale at cheap prices to the miners on easy terms of payment to encourage them to own their own houses, and some thirty purchased lots last year, while it is expected that this will be considerably taken advantage of during the present year.

The Great Northern Railway Station at Michel is just opposite the middle of the Townsite.

The Morrissey, Fernie & Michel Railway Company spent on Improvements in the year 1907 \$57,581.82, made up of 15 Roger dump cars, 6 box cars, 1 coach, 1 passenger car, 1 locomotive, a snow plow, and a car shop and wheel press.

All the railway tracks at the Fernie coke ovens and at Coal Creek and Michel Collieries, other than those on their right-of-way were purchased from the Canadian Pacific Railway Company.

I read you with pleasure the following extract from a letter written by Mr. J. J. Holmes, Expert in charge of United States Geological Survey, after visiting Fernie on September 11th.

"At the time of my visit there I was greatly pleased with the care and cleanness with which the mining operations were being conducted, these being in marked contrast with the wasteful methods that are being practised in many of the coal mines in the States.

"If you can give Mr. Groves blue prints of some of your mine maps showing the methods of working that are being followed, I will appreciate this courtesy, and assure you that no public or other use will be made of these maps, excepting that of our immediate force in studying your excellent mining methods."

The Report was unanimously adopted.

On motion of Sir Henry M. Pellatt, seconded by E. R. Wood, Col. J. G. Langton was appointed Auditor of the Company for the ensuing year.

On motion duly made the following By-laws were

confirmed:

By-law No. 113, being a By-law to abolish the Office of Managing Director and to transfer the duties formerly provided by the By-laws for that office to those of the office of President.

By-law No. 116, being a By-law to change the date of the Annual Meeting to the second Friday in March.

By-law No. 117, being a By-law to make provision for Banking, and for the signing of cheques.

By-law No. 118, being a By-law to change the maximum number of Directors who shall constitute the Board of the Company from fifteen to nine.

By-law No. 119, being a By-law to change the number of Directors constituting a quorum of the Board from six to five.

By-law No. 120, being a By-law to change the date upon which the monthly meeting of Directors shall be held.

On motion of H. H. Cook, seconded by W. J. Morrice, it was resolved that the thanks of the Shareholders are due, and are hereby tendered to the General Manager, General Superintendent, Chief Accountant, Land Commissioner and other officers of the Company for their services to the Company in the fulfilment of their respective duties during the past year.

On motion of E. R. Wood, seconded by Hon. Robert Jaffray, William Crocker and Thomas Walmsley were appointed Scrutineers for the election of Directors.

On motion of Thomas Walmsley, seconded by Col. W. P. Clough, it was resolved that the number of Directors for the ensuing year be nine.

On motion of Sir Henry M. Pellatt, seconded by Wm. Crocker, it was resolved that the meeting do now proceed to elect Directors for the ensuing year, and that for this purpose a ballot box be opened and remain open until 4 o'clock this day, the poll to be closed however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be given by the Scrutineers to the Chairman.

The ballot was then declared open. After the lapse of five minutes, without any ballots having been cast during that

time, the Scrutineers reported the following gentlemen elected Directors for the ensuing year:—

G. G. S. Lindsey, K.C., Hon. Robert Jaffray, Lieut.-Col. Sir Henry M. Pellatt, K.B., E. R. Wood, Elias Rogers, Jay P. Graves, E. C. Whitney, Colonel W. P. Clough, H. B. McGiverin.

The Meeting then Adjourned.

At a subsequent meeting of the Directors the following officers were elected :

**PRESIDENT**

G. G. S. LINDSEY, K.C.

**VICE-PRESIDENTS**

HON. ROBERT JAFFRAY

LT.-COL. SIR HENRY M. PELLATT, K.B.

**TREASURER**

E. R. WOOD

**SECRETARY**

R. M. YOUNG



# **THE CROW'S NEST PASS COAL COMPANY**

**LIMITED**

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<b>CAPITAL STOCK</b>	<b>(authorized)</b>	<b>\$4,000,000</b>
“	<b>(Subscribed)</b>	<b>\$3,727,500</b>
“	<b>(paid up)</b>	<b>\$3,716,280</b>

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**Stock Transfers made at Company's Head Office, Manning  
Arcade, 24 King St. West, Toronto, Ontario.**

Head Office	Office at Mines
<b>TORONTO, ONTARIO</b>	<b>FERNIE, BRITISH COLUMBIA</b>









